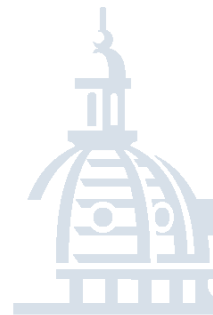


FISCAL UPDATE

Fiscal Services Division

September 4, 2013



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FY 2014 SCHOOL AID WEIGHTINGS

Weightings. School aid weightings generate additional funding for school districts. There are two types of weighted enrollment: special education weighting and supplementary weighting. Special education weightings are intended to provide additional funds to cover additional costs resulting from special education curriculum. Supplementary weightings are intended to cover increased costs or to encourage school districts to offer or share programs, and to extend necessary or wanted services that may otherwise not be provided.

Findings. The following table provides the weighting totals and the amount of funding generated through the weightings for FY 2014. Of note:

- Total special education weightings generated \$389.3 million in FY 2014. The LSA estimates this amount includes \$340.3 million from State aid and \$49.1 million in local property taxes. All school districts generated funding from special education weightings in FY 2014. The special education level one generated \$152.0 million, special education level two generated \$111.2 million, and special education level three generated \$126.1 million. Compared to FY 2013, total special education weighting decreased by 1,413.4 (-2.2%) and the funding generated decreased by \$934,000 (-0.2%).
- Supplementary weightings for sharing totaled 4,959.57 and generated \$30.5 million in FY 2014. Included in the total funding was \$26.6 million in State aid and \$3.9 million in local property taxes. The community college course sharing weighting generated \$17.7 million and accounted for 57.9% of the funding generated from the supplementary weightings for sharing. All 346 school districts generated some funding from at least one portion of this provision. Compared to FY 2013, total supplementary weighting for sharing decreased by 273.44 (-5.2%) and the funding generated decreased by \$1.1 million (-3.4%).
- At-risk supplementary weighting is based on a formula and all districts receive funding from the weighting. Statewide, the at-risk supplementary weighting generated \$14.4 million, an increase of \$500,000 (3.6%) from FY 2013.
- Supplementary weightings for limited English proficient students (also referred to as English-as-a-second language or ESL) generated \$20.9 million, an increase of \$1.6 million (8.2%) compared to FY 2013.
- Total weightings (special education and all supplementary) generated \$456.3 million, an increase of approximately \$200,000 compared to FY 2013. The State aid portion totaled \$398.8 million and the local property tax portion totaled \$57.6 million.

Legislative Services Agency: FY 2014 School Aid Weightings					
Weighting Category	Estimated FY 2014 School Finance Amounts				# of Districts
	Weight	State Aid**	Property Tax	Total	
Special Ed. 1	24,739.20	\$ 132,874,243	\$ 19,168,112	\$ 152,042,355	346
Special Ed. 2	18,101.65	97,223,962	14,005,493	111,229,455	345
Special Ed. 3	20,510.27	110,160,660	15,906,362	126,067,022	341
Total Special Ed.	63,351.12	340,258,865	49,079,967	389,338,832	346
Shared Students	48.00	257,803	38,469	296,272	69
Shared Teachers	308.07	1,654,617	242,725	1,897,342	69
Community College (CC) Courses*	2,875.32	15,443,328	2,224,068	17,667,396	345
Whole Grade Sharing	289.30	1,553,830	224,363	1,778,194	10
Regional Academy	14.00	75,194	11,452	86,646	1
ICN	2.81	15,076	2,190	17,267	74
Operational Functions	1,421.83	7,636,649	1,113,923	8,750,572	129
Supplementary Shared Wght. Total	4,959.57	26,637,850	3,857,393	30,495,243	346
At-Risk	2,340.680	12,571,814	1,812,799	14,384,613	346
ESL	3,391.96	18,218,217	2,638,441	20,856,658	203
Reorganization	177.70	954,427	142,749	1,097,176	11
Total Supplementary Weight	10,869.91	58,382,308	8,451,382	66,833,691	346
AEA Sharing	539.84	\$ 114,446	\$ 36,212	\$ 150,659	1
Total Weighting	74,760.87	\$ 398,755,619	\$ 57,567,562	\$ 456,323,181	346

Special Ed. 1	Weighting of 0.72.
Special Ed. 2	Weighting of 1.21.
Special Ed. 3	Weighting of 2.74.
Shared Students	Weighting of 0.48.
Shared Teachers	Weighting of 0.48.
Community College Courses*	Weighting of 0.46 for liberal arts and science courses and 0.70 for career tech courses.
Whole Grade Sharing	Weighting of 0.10 per student for eligible districts.
Regional Academy	Weighting of 0.10 per student - total weighting for a district cannot be less than 10.0 or more than 15.0.
ICN	Weighting of 0.05.
Operational Functions	Weighting of 0.02 per pupil based on an operational sharing function.
At-Risk	Calculated by formula.
ESL	Weighting of 0.22.
Reorganization	Eligible districts that reorganized receive Whole Grade Sharing weighting received in year prior to reorganization for three years.
AEA Sharing	Weighting based on formula for eligible AEAs.

Notes:

**State aid and property tax amounts are based on LSA calculations and include funding for additional property tax relief to cover the increase in the FY 2014 State cost per pupil due to the allowable growth rate (\$15 per pupil).
In general, weightings are based on the portion of time the student attends the specific program.
Funding amounts are based on individual calculations and may not match the Department of Management's Aid and Levy worksheet totals.
Totals and subtotals may not sum due to rounding.
AEA = Area Education Agency
LSA = Legislative Services Agency
ESL = English-as-a-Second Language
ICN = Iowa Communications Network

More Information. For additional information on school aid formula weightings, contact the Legislative Services Agency.

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IOWA WORKFORCE DEVELOPMENT LAYOFFS

Layoffs Announced. On Monday July 15, 2013, Iowa Workforce Development (IWD) announced that due to shortfalls in federal funding related to the sequestration, the Department will be eliminating 39.0 FTE positions affecting a total of 30 employees. Some of the nonlabor cost-saving measures taken before layoffs were used included:

- Negotiating interagency cost containment agreements with other state agencies.
- Implementation of an automated Unemployment Insurance claims process. IWD now processes 41.0% of web filed claims automatically.
- Utilizing increased electronic communications, significantly decreasing postage costs.
- Reducing office footprints (size and rent/utility costs) across the state.
- Reducing both in-state and out-of-state travel expenses.

Additional steps being taken by IWD include:

- Combining the Labor Market Information Division and the Communication Bureau into a new "Communications and Labor Market Information Division".
- The Communications and Labor Market Information Division will also house the customer service team that will help with the workload at the Unemployment Insurance Service Center.
- The Technology Bureau will assume management of the Automated Current Employment Statistics (ACES) program that was within the old Labor Market Information Division.
- The total amount in cost avoidance is estimated by the agency to be \$3.7 million.

Positions Eliminated. The following contract and noncontract positions were eliminated in each division. Bumping for contract positions is ongoing so the final information will be available at a later date.

Labor Services Division (reduced salary costs by an estimated \$908,000):

- Contract: 2.0 Statistical Assistants, 1.0 Secretary 1, 1.0 Senior Industrial Hygienist, 1.0 Information Technology Support Worker 2.
- Noncontract: 1.0 Public Service Executive 2.

Workforce Services (reduced salary costs by an estimated \$1.3 million):

- Contract: 9.0 Workforce Advisors, 2.0 Workforce Associates, 3.0 Workforce Program Coordinators, and 1.0 Executive Officer 2.
- Noncontract: 1.0 Workforce Development Supervisor, 1.0 Public Service Executive 3.

Unemployment Insurance Division (reduced salary costs by an estimated \$1.3 million):

- Contract: 11.0 Workforce Associates, 1.0 Typist Advanced, 1.0 Workforce Advisor, 1.0 Accounting Clerk 2.
- Noncontract: 1.0 Training Specialist.

Unemployment Insurance Appeals Bureau (reduced salary costs by an estimated \$150,000):

- Noncontract: 1.0 Administrative Law Judge 3.

Estimated Savings. Total savings from eliminating these positions will be an estimated \$3.7 million. No field offices are closing at this time, but some offices are only open two or four days a week. (<http://www.iowaworkforce.org/centers/files/offices.htm>)

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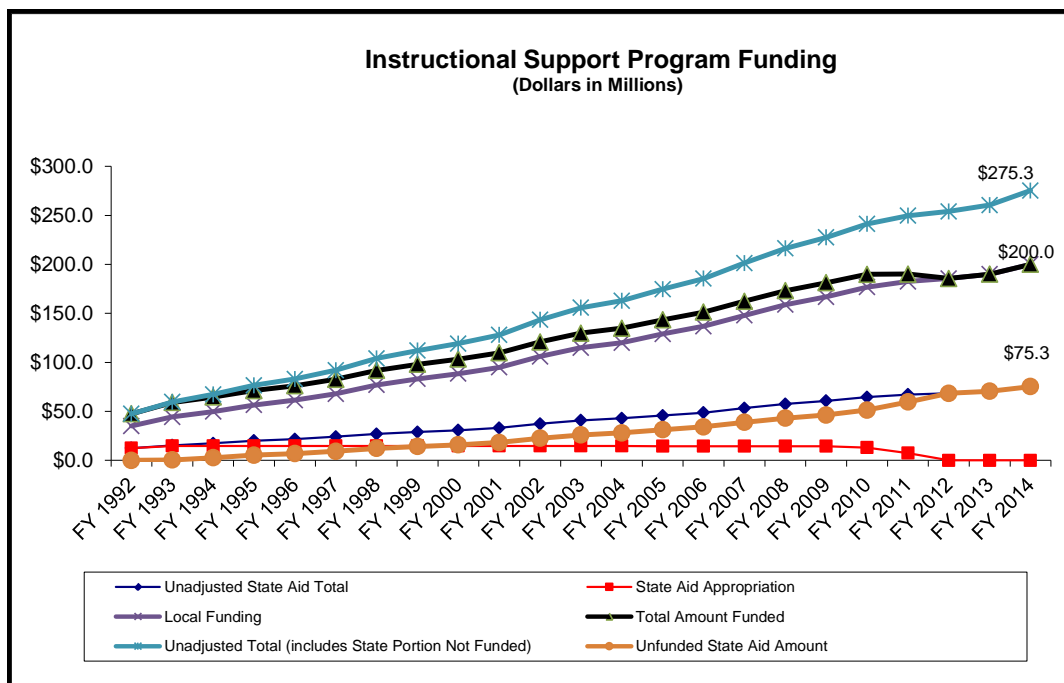
INSTRUCTIONAL SUPPORT PROGRAM FUNDING

Participation. Of the 346 school districts, 335 (96.8%) implemented the instructional support program in FY 2014. The funding level generated for the program totaled \$200.0 million, an increase of \$10.0 million compared to FY 2013.

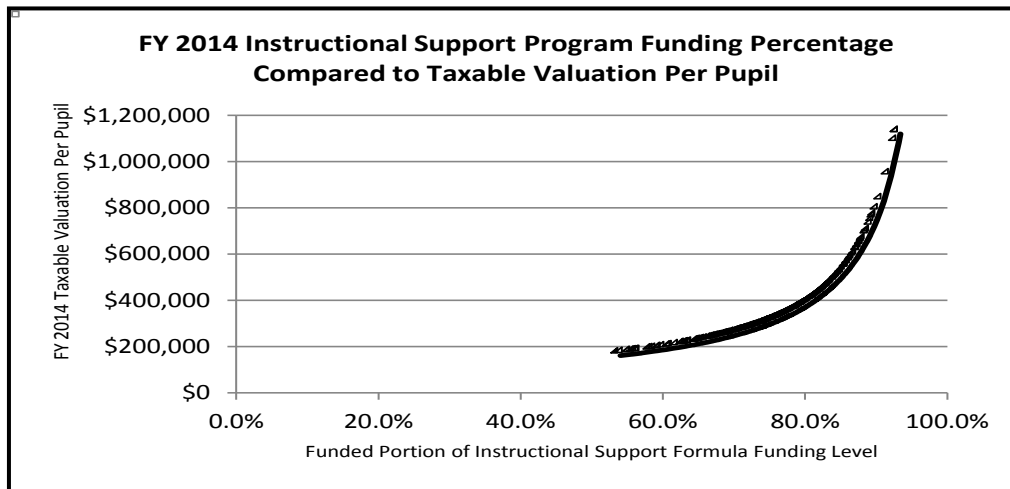
Funding Sources. Districts that implement the program have three revenue sources that generate funds for the program. These include local property taxes, local income surtax, and State aid (if appropriated).

On a statewide basis, local property taxes account for the largest portion of the program funds and local income surtaxes account for the second largest portion. No State funding for the Program was appropriated in FY 2014.

Historical Funding. Funding for the Instructional Support Program is formula based and was designed to provide a higher share of State aid for districts that had the lowest per pupil valuations. However, since FY 1992, a cap has been placed on the State aid portion of program funding levels, and the total State aid amount includes a funded portion and unfunded portion based on the Program formula. The following chart provides Instructional Support Program Funding levels since FY 1992. The State aid portion of the Program has been fully funded once (in FY 1992 at \$12.5 million). Since that time, the unfunded portion of the Program formula has increased annually, and in FY 2014 the unfunded portion totaled \$75.3 million. The following chart provides the Instructional Support Program levels for FY 1992 through FY 2014. The amounts displayed include the State aid appropriation (red line), the unfunded State aid amount (orange line), the unadjusted State aid amount (dark blue line), the local funding amount (includes property tax and income surtax – purple line), the total amount funded (black line), and the unadjusted total (light blue line).



Results of Funding. As noted above, the funding for the Instructional Support Program is formula based and was designed to provide districts with lower per pupil taxable valuations with a higher portion of State aid. However, because the State aid portion is not fully funded, school districts with lower per pupil taxable valuations receive a smaller portion of the total amount funded compared to the unadjusted total. In FY 2014, the range of the percentage funded was from a high rate of 93.4% to the lowest rate of 54.0%. For instance, if the State aid portion were fully funded, every district implementing the Instructional Support Program would have a 100.0% funding level. This issue has occurred every year since FY 1993, but the divergence has increased as the number of districts implementing the Program and the unfunded state aid amount has increased annually. The chart on the following page provides a comparison of each district's funded portion of the instructional support program funding level compared to the taxable valuation per pupil for FY 2014. The chart indicates a correlation between the two variables. Districts with higher taxable valuations per pupil receive a higher percentage of their Instructional Support Program formula funding level while districts with lower taxable valuations per pupil receive a lower portion. Additionally, the unfunded State aid portion of the Instructional Support Program is not included in the authorized budget of a school district (does not increase a school district's spending authority).



Instructional Support Program Property Tax – New Provision. FY 2014 was the first year that the property tax revenue for the Instructional Support Levy (ISL) Program was fully retained by school districts. Previously, property tax revenues generated from the ISL property tax rate applied to tax increment financing (TIF) values above the TIF base taxable valuation were kept by the local government implementing the TIF. The result of the new provision, on average, reduced statewide property tax rates by \$0.0514/\$1,000 of taxable valuations in FY 2014 (this amount varies between school districts). The new provision allows local jurisdictions the ability to request the forgone revenue from the school district, if the revenue is needed for TIF indebtedness.

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PUBLIC SAFETY ANSWERING POINT OUTAGE

Service Outage. On July 19, 2013, at approximately 5:30 p.m., an outage of the Public Safety Answering Points (PSAPs) occurred. Initially, all 115 PSAPs were affected, but within approximately 10 minutes, 41 of the PSAPs were back online. The remaining PSAPs were offline until the next day and were restored by 2:30 p.m. on July 20, 2013. Calls were routed to the Johnston Department of Public Safety. The outage did impact the Next Generation 911 or NG911 system but did not impact the local wireline 911/E-911 services. The cause was determined to be faulty switching equipment. Upgrades of core carrier switches occurred on August 7 and 8.

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VETERANS TRUST FUND UPDATE

Fund Balance. As of July 31, 2013, the Veterans Trust Fund Balance is \$18.2 million. The total principal balance is \$17.9 million. The Trust Fund's total remaining amount for expenditure (including the interest income and the lottery transfer) is approximately \$193,000. Expenditures to date for FY 2013 totaled approximately \$368,000. All July activity reported was for FY 2013.

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ECONOMIC DEVELOPMENT AUTHORITY BOARD MEETING

The Iowa Economic Development Authority (IEDA) Board held a telephonic meeting on August 16, 2013. The board awarded the entire \$10.0 million allocation for the Brownfield/Grayfield Redevelopment Tax Credit. This allocation is part of the IEDA Tax Credit cap of \$170.0 million. The board discussed their desire to move this program in a more competitive direction, rather than automatically awarding the full amount a project qualifies for. No new business incentive awards were considered. Total usage for the year is presented in the table below.

Tax Credit Obligations					
Award Month	Business Awards (HQC and EZ)	Housing Enterprise Zones	Brownfield Redevelopment Program	Innovation Investment Tax Credit	Total Available Balance
Fiscal Year 2014 Allocations	\$ 123,300,000	\$ 26,700,000	\$ 10,000,000	\$ 10,000,000	\$ 170,000,000
Awards Made in FY 2013	-11,842,741	-2,225,078	0	0	
Available Cap in FY 2014	\$ 111,457,259	\$ 24,474,922	\$ 10,000,000	\$ 10,000,000	\$ 155,932,181
Awards					
July Awards	\$ 26,859,645	\$ 2,534,725	\$ 0	\$ 0	126,537,811
August Awards*	0		10,000,000	0	116,537,811
FY 2014 Awards Total	\$ 26,859,645	\$ 2,534,725	\$ 10,000,000	\$ 0	
Unobligated Balance Remaining	\$ 84,597,614	\$ 21,940,197	\$ 0	\$ 10,000,000	

*Estimated from Project Award documents at that month's Board Meeting.
Source: Iowa Economic Development Authority Board Documents

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ENVIRONMENTAL PROTECTION COMMISSION TOUR

Water Works Tour. The Environmental Protection Commission (EPC) toured the Des Moines Water Works plant in Des Moines on August 20, 2013. The tour included an overview of the area that removes nitrates from the drinking water. The Des Moines Water Works primary water sources are the Des Moines and Raccoon Rivers and both contained high levels of nitrate concentration this spring and early summer. The federal Environmental Protection Agency (EPA) Maximum Contaminant Level is 10 milligrams per liter (mg/L) and the Des Moines River exceeded this standard for 85 days while the Raccoon River exceeded the standard for 92 days. The Des Moines Water Works estimated the loss of revenue from the extra monitoring and loss of water sales at \$900,000.

EPC Meeting. The EPC met at the Des Moines Water Works for their monthly meeting after the tour. Agenda items included:

- Overview of the Keep Iowa Beautiful Annual Report.
- Approval of the Water Supply Annual Fee of \$66.
- Approval of rule changes for various air quality programs.

Additional Information. For more information refer to the [EPC](#) online meeting information packet.



Mike McCurnin (left) Des Moines Water Works talks about removing nitrates from drinking water.

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PRISON CAPACITY AND POPULATION UPDATE

Capacity. The prison capacity is now 7,109 beds because the Department of Corrections (DOC) closed the 100-bed Women's Unit at the Mount Pleasant Correctional Facility August 15, 2013. The offenders moved to the Iowa Correctional Institution (ICIW) at Mitchellville. Senate File 447 (Justice System Appropriations Act) transferred the funding and FTE positions for the Women's Unit to ICIW in FY 2014.

Population. The prison population was 8,099 offenders on August 15, 2013; this is 113.9% of capacity. This is 910 offenders less than the population peak of 9,009 offenders reached on April 9, 2011. The population has been slowly trending downward, primarily due to more paroles being granted by the Board of Parole so offenders receive supervision upon their release from prison.

Movement. The DOC estimates approximately 40.0% of the prison population will move between prisons during FY 2014. This is to accommodate the opening of new facilities at ICIW and the Iowa State Penitentiary (ISP) at Fort Madison, as well as the closure of existing housing units at Mount Pleasant (Women's Unit) and Fort Madison (Clinical Care Unit and John Bennett Unit). Following is information regarding the population, capacity, and movements of offenders at each prison as of August 15, 2013.

Fort Madison. There were 565 offenders "inside the walls" in the maximum security prison; this is 96.0% of capacity (588 beds). Offenders will move to the new maximum security prison when it opens in FY 2014. There were 167 offenders in the minimum security John Bennett Unit (JBU); this is 110.0% of capacity (152 beds). These offenders will be paroled, transferred to other minimum security facilities, or moved to the new 80-bed bunkhouse at the new prison once that bunkhouse is renovated or replaced. There were 34 offenders in the Clinical Care Unit (CCU) that has capacity for 160 offenders. This facility has been depopulated by transferring offenders to the Clarinda Correctional Facility or the Iowa Medical Classification Center (IMCC) at Oakdale during FY 2013 and FY 2014. The remaining offenders will transfer to the new prison once it opens and the CCU will close. The CCU opened 10 years ago to house mentally ill offenders that may be violent.

New Prison. The DOC will open the new prison within the existing budget. The new prison has 800 maximum security beds and 92 medical/segregation beds. Approximately 220 beds will not be used in FY 2014. See the *Issue Review*, [Corrections Construction and Capacity](#) for additional information regarding the new prison.

Anamosa. There were 981 offenders at the prison that has 911 beds, so it was operating at 108.0% of capacity. The DOC created a Prison Rape Elimination Act (PREA) housing unit at Anamosa using the existing budget. The PREA housing unit is for offenders sentenced to prison that are under age 18, to comply with the federal PREA law. The DOC moved about 100 long-term protective custody offenders from across the State to Anamosa during FY 2013 and FY 2014.

Luster Heights. The Luster Heights Prison Camp is a satellite operation of the Anamosa State Penitentiary. There were 43 offenders at the Luster Heights Prison Camp in Yellow River Forest State Park. This is 49.0% of capacity (88 beds). Senate File 447 (Justice System Appropriations Act) specifies that the DOC is to maintain and operate this Camp.

Oakdale. There were 1,010 offenders in the prison with 585 beds; it was operating at 170.0% of capacity. These figures include 17 people housed at the Forensic Hospital. Iowa is the only State to have a forensic hospital inside a prison. The DOC transferred about 70 offenders from the CCU to Oakdale in FY 2013 and FY 2014. The DOC plans to transfer about 70 female offenders to Mitchellville during FY 2014. These offenders are currently housed in the reception center or medical housing units at Oakdale.

Newton. The medium security unit had 967 offenders in space designed for 762 beds; the facility was operating at 127.0% of capacity. The minimum security facility (Riverview Release Center) housed 339 offenders in space designed for 252 beds; this facility was operating at 135.0% of capacity. Approximately 70 offenders from the Clarinda Correctional Facility and 30 offenders from the JBU were transferred to the Newton Correctional Facility in FY 2013 and FY 2014.

Mount Pleasant. There were 861 offenders in space designed for 774 beds; the prison was operating at 111.0% of capacity.

Women's Unit. The General Assembly transferred \$1.7 million from the Mount Pleasant Correctional Facility to Mitchellville to reflect the closure of the Women's Unit at Mount Pleasant once the new beds at Mitchellville open. This action was taken in SF 447 (Justice System Appropriations Act). The Women's Unit closed in August 2013. The offenders were sent to Mitchellville. The existing staff remained at Mount Pleasant.

Rockwell City. This minimum security prison housed 497 offenders in space designed for 245 beds; the prison was operating at 203.0% of capacity.

Clarinda. There were 560 offenders housed in medium security; this is 75.0% of capacity (750 beds). This prison transferred out about 240 medium security offenders to the Mount Pleasant, Fort Dodge, and Newton Correctional Facilities during FY 2013. This freed up existing space to move approximately 100 offenders from the CCU at Fort Madison to Clarinda. The DOC may transfer more special needs offenders to this location in the future, once former CCU offenders become acclimated to the prison.

Clarinda Lodge. This is a minimum security facility at Clarinda that housed 193 offenders in space designed for 225 beds. The facility was operating at 86.0% of capacity.

Mitchellville. There were 561 offenders at this location. This is 123.0% of capacity (455 beds). The General Assembly increased the appropriation by \$5.3 million in FY 2014 to gradually open new beds. This increase includes the \$1.7 million transfer from the Mount Pleasant Correctional Facility to close the 100-bed Women's Unit and transfer offenders to Mitchellville. About 70 women will transfer from Oakdale to Mitchellville in FY 2014. Refer to the **Issue Review, [Construction Status and Operating Costs of New Corrections Beds](#)** for additional information. Construction is expected to be completed as follows in FY 2014:

- Building A – Administration and Visiting Room and Building F – Food Service, including the kitchen and dining rooms in August 2013.
- Building G – General population beds and Building Y – Minimum Live Out (MLO) in September 2013.
- Building H – Health Service, including the medical and mental health beds, medical clinic, acute care unit, subacute unit, long-term care, hospice, assisted living unit, and the reception center in October 2013.
- Women offenders will no longer be sent to Oakdale upon their admission to the prison system once the reception center opens at Mitchellville. There will be a small housing unit at Oakdale for those that need medical treatment at the University of Iowa Hospitals and Clinics.
- The following units are not expected to open in FY 2014: the long-term care unit, hospice unit, or assisted living units.
- Building N – Treatment and class rooms in August and September 2013.
- Building P – Vocational training, education, gymnasium, and library in April and May 2015.
- Building W – Warehouse in August and September 2013.
- Building Z – MLO support, including a dining area and visiting room in March and April 2014.

Fort Dodge. There were 1,321 offenders at this location; the prison was operating at 114.0% of capacity (1,162 beds). The DOC transferred approximately 100 medium security offenders from Clarinda to this location in FY 2013.

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SCHOOL BUDGET REVIEW COMMITTEE RETREAT

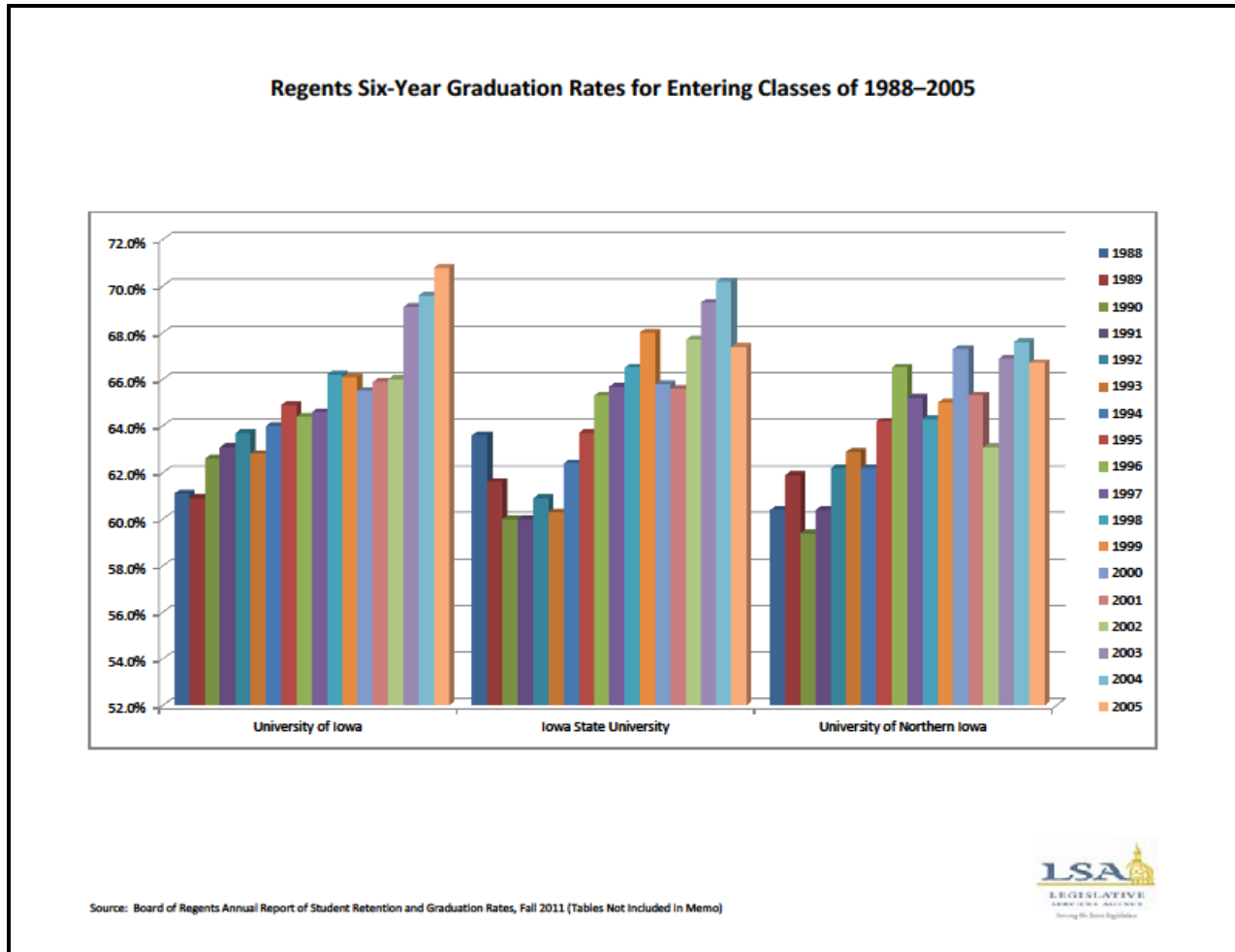
Retreat. The School Budget Review Committee (SBRC) held an annual retreat on Monday, August 5. Agenda items discussed at the meeting included:

- Special Education – including finance manual updates, special education weightings history and issues, and Medicaid claiming and the impact on special education costs.
- SBRC procedural issues – including a discussion of modified allowable growth for innovative programs and the potential impact of legislation enacted during the past Legislative Session.
- Updates and discussion on a variety of SBRC items.

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REGENTS GRADUATION RATES

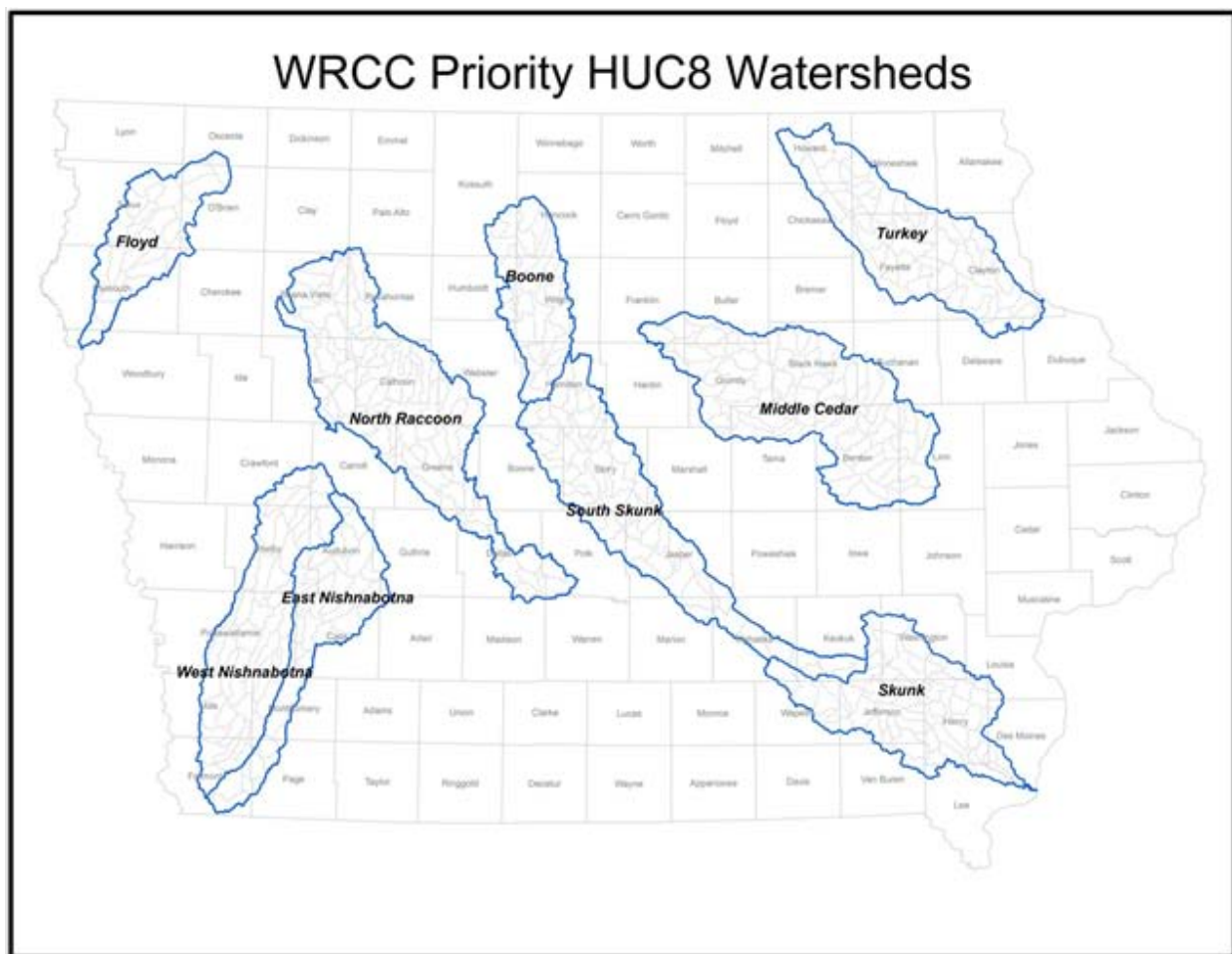
Graduation Rates. This chart shows the rates of graduation for Regents freshmen for the period of 1988 through 2010. The rates are based on graduation within six years of entering college as a freshman and are shown for each of the three universities. This chart and other maps and charts are available online at <https://www.legis.iowa.gov/Resources/Mapping/mapOfTheWeek.aspx>.



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WATER QUALITY INITIATIVE UPDATE

Background. The [Nutrient Reduction Strategy](#) report was introduced in November 2012, as a collaborative effort by the Department of Agriculture and Land Stewardship (DALS), the Department of Natural Resources (DNR), and Iowa State University (ISU) to assess and reduce nutrients that flow into Iowa waters. The Water Quality Initiative Program was created in [SF 435](#) (FY 2014 Agriculture and Natural Resources Appropriations Act) with the goal to provide funding for watershed practices in high-priority watersheds as designated by the Water Resources Coordinating Council (WRCC). The map on the following page is from the DALS and identifies the high-priority watersheds at the HUC8 (Hydrologic Unit Code) level. A hydrologic unit code (HUC) is a measurement used by the federal Geological Survey to identify a hydrological feature such as a river, lake, or watershed. For additional information refer to the [USGS](#) website.



FY 2014 Funding. Senate File 435 (FY 2014 Agriculture and Natural Resources Appropriations Act) and [HF 648](#) (FY 2014 Bond Repayment and Supplemental Appropriations Act) provided funding for the Water Quality Initiative Program that is being administered by the DALS. The following chart provides a summary of the funding:

Water Quality Initiative Funding - General Fund			
Act	Fiscal Year	Description	Amount
HF 648	FY 2013*	Water Quality Projects	\$ 10.0
HF 648	FY 2013*	Soil Conservation Cost Share	\$ 7.0
HF 648	FY 2013*	WIRB Grants	\$ 3.0
SF 435	FY 2014	Water Quality Initiative Admin.	\$ 2.4
SF 435	FY 2015	Water Quality Initiative Admin.	\$ 4.4
SF 435	FY 2014	Iowa Nutrient Center at ISU	\$ 1.5
SF 435	FY 2015**	Iowa Nutrient Center at ISU	\$ 0.8
*Supplemental appropriation from the General Fund			
**Appropriation for FY 2015 was 50.0% of FY 2014			

Water Resource Coordinating Council (WRCC). The WRCC met on July 26 in Des Moines to discuss updates to the Iowa Nutrient Reduction Strategy. In addition, Dr. John Lawrence at ISU was appointed to

lead a subcommittee that will provide resources to determine performance measurement information for demonstration projects in the priority watersheds.

Watershed Improvement Review Board (WIRB). The WIRB met on August 7 in Des Moines to discuss updates to the WIRB grant process in relation to the \$3.0 million supplemental appropriation that specified 50.0% of the funds were to be designated for projects that support the Water Quality Initiative. Applications will be due by October 15 and the Board has set a tentative meeting date of November 8 to award WIRB funding.

Watershed Planning Advisory Council (WPAC). The WPAC met on August 12 in Des Moines and had several presentations related to water quality. Jim Gillespie from the DALS provided an update on the Water Quality Initiative and stated that on August 8, 2013, a [press release](#) was sent announcing the additional funding of Soil Conservation Cost Share funds for nutrient reduction practices. The DALS was also announcing a [request for applications](#) for the targeted watershed demonstration projects on August 12, 2013. The demonstration projects must be located in the high-priority watersheds and the applications are due on September 30, 2013.

Voluntary Water Quality Practices. A [press release](#) dated August 27, 2013, stated that 1,096 landowners applied for the \$2.8 million in voluntary water quality practices. The practices will cover 120,680 acres and 97 of the 100 Soil and Water Conservation Districts received funds. Practices include: 109,415 acres of cover crops, 7,321 acres of nitrogen inhibitor, 2,675 acres of no-till, and 1,268 acres of strip-till practices.

Additional Information. Contact the LSA for additional information or refer to the [DALS](#) website for Program updates.

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DEPARTMENT OF CORRECTIONS FY 2014 OPERATING BUDGET

FY 2014 Budget. The Department of Corrections (DOC) General Fund appropriations total \$374.5 million in FY 2014. This is an increase of \$12.9 million compared to FY 2013. Funding changes include:

- \$7.5 million increase to open new or close current correctional beds at the Iowa State Penitentiary at Fort Madison, the Iowa Correctional Institution for Women at Mitchellville, the Mount Pleasant Correctional Facility, and community-based corrections (CBC) facilities in Waterloo, Sioux City, Cedar Rapids, Davenport, and Ottumwa. The following facilities are scheduled to close in FY 2014: the Clinical Care Unit (CCU) and John Bennett Unit at Fort Madison and the Women's Unit at Mount Pleasant. The Women's Unit closed in August 2013.
- \$398,000 increase to create a telepsychiatry unit at the Iowa Medical Classification Center at Oakdale to provide services to offenders.
- \$250,000 increase for corrections education.
- \$1.6 million increase for the Iowa Corrections Offender Network (ICON). Of this amount, \$500,000 is currently funded through an allocation from the Technology Reinvestment Fund.
- \$500,000 increase to renovate or replace a bunk house at Farm One at Fort Madison to house minimum security offenders currently housed at the John Bennett Unit.
- \$2.6 million increase for operations to be distributed by the DOC.

Operations Appropriation. The DOC recently notified the LSA that the \$2.6 million appropriation is distributed as follows:

- \$518,000 to the Iowa Medical Classification Center at Oakdale.
- \$400,765 to the Anamosa State Penitentiary.
- \$318,000 to the Newton Correctional Facility.
- \$239,000 to the Fifth CBC District Department.
- \$230,000 to the First CBC District Department.

- \$167,000 to the Iowa State Penitentiary at Fort Madison.
- \$150,000 to the Clarinda Correctional Facility.
- \$150,000 to the Mount Pleasant Correctional Facility.
- \$106,000 to the Fort Dodge Correctional Facility.
- \$105,000 to the Iowa Correctional Institution for Women at Mitchellville.
- \$92,544 to the Second CBC District Department.
- \$50,000 to the North Central Correctional Facility at Fort Dodge.
- \$45,000 to the Fourth CBC District Department.

Criteria. The DOC used the following criteria in distributing the appropriation:

- It was assumed the funding was provided for FY 2014 personnel costs in order to avoid reductions in existing staff. Personnel costs include salary adjustment, worker's compensation, holiday pay, and med – passer pay (staff who provide medicine to offenders receive additional compensation).
- The Department of Management (DOM) ran several projections on personnel data from various Institutions and CBC District Departments. The quality of the information in the personnel data base varied across the Institutions and District Departments.
- Not all DOC budget units were included in the calculation. For example, the Central Office was not included in the calculations.
- With the exception of the First CBC District Department, any CBC District Department that received funds to open residential facilities was not included in the calculations. This includes the Third, Sixth, Seventh, and Eighth CBC District Departments.
- The number of staff at the top of their pay grade impacted the calculation.
- The Clarinda and Mount Pleasant Correctional Facilities' salary need was estimated because of the nature of the budgets. These Institutions share certain personnel with the Department of Human Services (DHS) as Mental Health Institutes (MHIs) are colocated at these facilities. Also, the Clarinda Youth Academy (private-sector treatment program for juveniles) reimburses approximately \$1.5 million for shared costs to the Clarinda Correctional Facility; this was factored into the calculation.
- The Iowa State Penitentiary's amount was adjusted upward to reflect the recent vacancies at that location.

STAFF CONTACT: Beth Lenstra (515-281-6301) beth.lenstra@legis.iowa.gov

STATE APPEAL BOARD MEETING

Claims. The State Appeal Board met August 5, 2013, and reviewed general claims and tort claims submitted under Iowa Code chapters [25](#) and [669](#). The Board approved \$363 in general claims and \$30,200 in tort claims. The Board approved the denial or dismissal of \$1.6 million in tort claims.

Settlements/Judgments. The Board approved new settlements:

- \$36,000 to settle a lawsuit related to alleged age discrimination in awarding a promotion at the Woodward Resource Center. The lawsuit was based on alleged violations of Iowa's Civil Rights Act. The settlement included \$15,000 for back wages, \$8,400 for compensatory damages, and \$12,600 in attorney fees. The Board discussed methods used to train staff on hiring and promotion decisions, and appropriate documentation of the process.
- \$39,000 that represents the State's share of the cost to settle a lawsuit related to surgeries at the University of Iowa Hospitals and Clinics where the wrong artery was clamped. While the surgeons realized the mistake, the injury to the bowel created ongoing health issues. The patient's hospital stay was prolonged and he had to use blood thinners on a long-term basis. A second surgery was required to close a hole in the bowel. Another \$39,000 will be paid by the University of Iowa Physicians.
- \$100,000 to settle a lawsuit alleging medical malpractice at the University of Iowa Hospitals and Clinics. The patient had been in restraints to prevent her from removing the tracheotomy tube and from falling out of bed. The restraints were removed by staff; the patient then removed the tube and died. The plaintiff alleges negligence including failure to restrain and monitor the patient and improper staffing. The University of Iowa Physicians will not be contributing towards the settlement.

Next Meeting. The next meeting of the Board will be September 3, 2013.

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BOARD OF CORRECTIONS MEETING

Meeting. The Board of Corrections met August 16, 2013, at the Iowa Correctional Institution for Women (ICIW) at Mitchellville. Warden Patti Wachtendorf welcomed the Board, staff, and guests to the Institution, and indicated the staff has been very busy with construction. She appreciates the offenders' cooperation. The 100-bed Women's Unit at Mount Pleasant was closed August 15, 2013, and the offenders moved to ICIW. Additional agenda items included:

- **New Prisons.** Department of Corrections (DOC) Director John Baldwin announced the ribbon cutting ceremony for the new buildings at ICIW will be October 28, followed soon after by the ribbon cutting ceremony at the new Iowa State Penitentiary. The new buildings at both prisons will open gradually as staff is trained on the new technology.
- **Escape.** The Director indicated there was an escape from the minimum-security Clarinda Lodge in the early morning of August 16. (The inmate was shot and killed by the couple he had taken hostage on August 20).
- **DHS.** The Department of Human Services (DHS) released a Request for Information (RFI) to vendors regarding services to be provided to ex-offenders that have served their full criminal sentence and need housing in local communities. The RFI can be viewed on the Department of Administrative Services website at: http://bidopportunities.iowa.gov/?pgname=viewrfp&rfp_id=9253. There are about 30 people that were released from prison in FY 2013 due to end of sentence (sentence expired) who need community care. It is expected this population will continue to grow in the future.
- **PREA.** The Director updated the Board on the latest Prison Rape Elimination Act (PREA) information. This federal law was passed by the Congress about eight years ago; it took a long time for the federal government to write the administrative rules. Each correctional facility, including State prisons and Community-Based Corrections (CBC) facilities, are subject to and must pass an audit of its operations, policies, and procedures. Facilities are required to be in 100.0% of compliance, or the DOC's federal funds will be reduced by 5.0%. The DOC receives limited federal funds. County jails are also required to comply with PREA rules.
- **New CBCs.** The following CBC facilities will open in October: Waterloo Women's Center for Change, Sioux City, Davenport, and Ottumwa. The ANCHOR Center in Cedar Rapids is planning to open in January 2014. The FY 2015 General Fund budget request is status quo. No new moneys are being requested.
- **ICON.** The Director indicated the Board of Parole and the DOC have been working closely to transition the Board's IPAROLE database to the DOC's Iowa Corrections Offender Network (ICON). The IPAROLE system will merge into ICON on August 25, 2013.
- **Planning.** Curtiss Pulitzer, consultant, provided background information on how the DOC used the Durrant Report to develop the plans for the new correctional facilities and revamp existing programs. Research Director Lettie Prell, and Deputy Directors Dot Faust, Jerry Bartruff, and Diann Wilder-Tomlinson discussed the DOC plans for the future.
- **FY 2015 Budget.** Deputy Director Brad Hier provided an overview of the FY 2015 status quo budget. The request includes transferring existing positions between prisons to reflect the transfer of mentally ill offenders to Clarinda in FY 2013 and FY 2014, as follows:
 - 3.0 FTE positions (correctional officers) and \$161,000 transferred from Oakdale to Clarinda.
 - 1.0 FTE position (Psychologist) and \$77,000 from Fort Madison to Clarinda.
 - 1.0 FTE position (Treatment Director) and \$70,000 from Fort Madison to Clarinda.

The DOC receives a separate appropriation of \$168,000 for Hepatitis Treatment and Education that is spent at the Central Pharmacy at Oakdale. The DOC is requesting the separate appropriation be included in the appropriation for Oakdale.

- **Telephone Fund.** Public Information Officer Fred Scaletta indicated the DOC had issued a Request for Proposals (RFP) for the inmate telephone system. A new vendor will start providing services effective October 1, 2013. The Board is required to approve annual expenditures from the Inmate

Telephone Fund established in [Iowa Code section 904.508A](#). The Board approved FY 2014 expenditures of \$405,600:

- Corrections Education - \$350,000
- Inmate Telephone Administration - \$54,600
- Inmate Translation Services - \$1,000

Next Meeting. The next Board meeting is scheduled for September 13 at the Iowa Prison Industries showroom at 1445 East Grand Avenue, Des Moines. Additional information is available by contacting the LSA.

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MEETINGS MONITORED

Meetings Monitored. The following meetings were monitored by Fiscal Services staff. Please contact the staff listed for more information.

Meeting	Date	Staff Contact
Board of Regents	August 8, 2013	Robin Madison (281-5270)
State Appeal Board	August 5, 2013	Beth Lenstra (281-6301)
Administrative Rules Review Committee	August 6, 2013	Beth Lenstra (281-6301)
Watershed Improvement Review Board	August 7, 2013	Deb Kozel (281-6767)
Natural Resource Commission	August 8, 2013	Deb Kozel (281-6767)
Watershed Planning Advisory Council	August 12, 2013	Deb Kozel (281-6767)
School Budget Review Committee (SBRC) Retreat	August 5, 2013	Shawn Snyder (281-7799)
Board of Corrections	August 16, 2013	Beth Lenstra (281-6301)
Iowa Economic Development Authority Board	August 16, 2013	Kent Ohms (725-2200)
Environmental Protection Commission	August 20, 2013	Deb Kozel (281-6767)
IPERS Benefits Advisory Committee	August 26, 2013	Jen Acton 9281-7846)

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